

Saudi Arabia

Feb 2018

Executive Summary

This country fact sheet provides key trade and investment related statistics for Saudi Arabia. Specifically, it shows Saudi Arabia's trade and investment flows including an analysis of top markets and products with South Africa and the Western Cape highlighting the largest and fastest growing products and subsectors. The key highlights in the Saudi Arabia country fact sheet are provided below:

Economy

The Saudi economy is the largest in the Arab world. Saudi Arabia is the world's largest oil producer and exporter, controlling the world's 2nd largest oil reserves and the 6th largest gas reserves. In 2016, Saudi Arabia's GDP (PPP) was estimated at USD1.8trn, making Saudi Arabia the world's 16th largest economy. Saudi Arabia's GDP growth was at 1.7% in 2016. On a per capita income basis, Saudi Arabia's is ranked 21st with a GDP per capita of USD55,300.

Trade

Global exports from Saudi Arabia in 2016 were valued at USD208bn compared to USD201bn in 2015 increasing by 3%. China was the leading import market in 2016 valued at USD19bn.

South Africa exported goods to Saudi Arabia valued at USD364m in 2016 compared to USD354bn in 2012, representing an average annual increase of 3.8%. The leading export product to Saudi Arabia from South Africa was citrus fruit valued at USD88m.

The Western Cape exported goods to the value of USD97m in 2016 compared to USD78m in 2015, representing an increase of 24%. Citrus fruit was the leading export product category to Saudi Arabia from the Western Cape in 2016, valued at USD51.4, followed by apples, pears and quinces (USD10.6m). The leading import products into the Western Cape from Saudi Arabia include crude petroleum valued at USD1.4bn, followed by refined petroleum valued at USD18.4m.

Investment

Between January 2003 and April 2017 a total of 592 FDI projects were recorded from Saudi Arabia, representing a total capital investment of USD72.19bn. The top destination market for FDI from Saudi Arabia was the UAE (69 projects).

Between January 2003 and April 2017 a total of 4 FDI projects were recorded from South Africa to Saudi Arabia, representing a total capital investment of USD169m. Between January 2003 and April 2017 a total of 5 FDI projects were recorded from Saudi Arabia, representing a total capital investment of USD1.55bn.

Tourism

Saudi Arabia tourist arrivals into South Africa increased by 59% from 6,933 tourists in 2015 to 11,048 tourists in 2016. No data is available for Saudi Arabian tourist arrivals into the Western Cape due to an insufficient sample size.

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1. General Information

Saudi Arabia is the largest Arab state in Western Asia by land area (approximately 2,150,000 km² and the second-largest in the Arab world after Algeria). It is bordered by Jordan and Iraq to the north, Kuwait to the northeast, Qatar, Bahrain and the United Arab Emirates to the east, Oman to the southeast, and Yemen in the south. It is the only nation with both a Red Sea coast and a Persian Gulf coast.

Saudi Arabia is an absolute monarchy and the king combines legislative, executive, and judicial functions. It is an active member of the Organisation of Islamic Cooperation, Arab League, Gulf Cooperation Council, Organisation of Islamic Cooperation and OPEC.

GENERAL INFORMATION	
Population (July 2017 est.)	28,571,770
Capital	Riyadh
Chief of state	King and Prime Minister Salman bin Abd al-Aziz Al Saud
Type of Government	Absolute monarchy
Official language(s)	Arabic (official)
Ethnic group(s)	Arab 90%, Afro-Asian 10%
Religion(s)	Muslim (official; citizens are 85-90% Sunni and 10-15% Shia), other (includes Eastern Orthodox, Protestant, Roman Catholic, Jewish, Hindu, Buddhist, and Sikh)
Life expectancy	75.5 years
Literacy rate	94.7%
HDI (2016)	0.847 (Ranked 38 th)

Source: CIA World Factbook, 2018

2. Economic Overview

Saudi Arabia has an oil-based economy with strong government control over major economic activities. The Saudi economy is the largest in the Arab world. Saudi Arabia is the world's largest oil producer and exporter, controlling the world's 2nd largest oil reserves and the 6th largest gas reserves.

The country possesses about 16% of the world's proven petroleum reserves and plays a leading role in OPEC. The petroleum sector accounts for roughly 80% of budget revenues, 45% of GDP, and 90% of export earnings. Saudi Arabia officially has about 260 billion barrels (4.1×10¹⁰m³) of oil reserves, comprising about one-fifth of the world's proven total petroleum reserves.

Saudi Arabia is encouraging the growth of the private sector in order to diversify its economy and to employ more Saudi nationals. Diversification efforts are focusing on power generation, telecommunications, natural gas exploration, and petrochemical sectors.

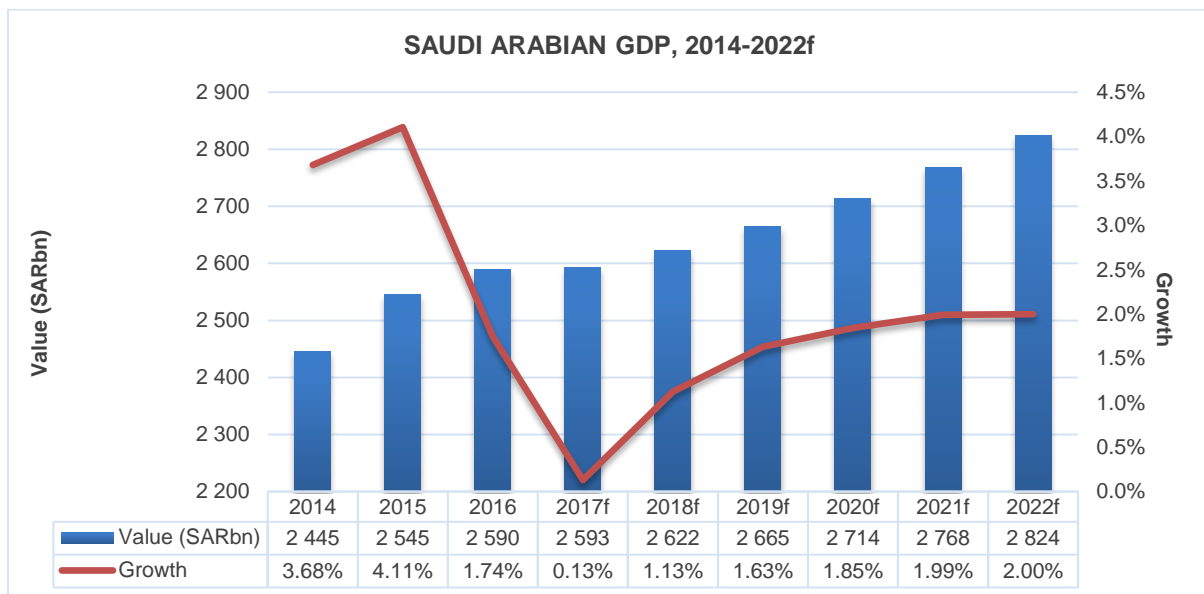
In 2016, Saudi Arabia's GDP (PPP) was estimated at USD1.8trn, making Saudi Arabia the world's 16th largest economy. Saudi Arabia's GDP growth was at 1.7% in 2016. On a per capita income basis, Saudi Arabia's is ranked 21st with a GDP per capita of USD55,300 according to the International Monetary Fund (IMF).

ECONOMIC INFORMATION	
GDP (PPP) (2016 est.)	USD1.756 trillion
GDP growth (2016 est.)	1.7%
GDP per capita (2016 est.)	USD55,300
Inflation (2016 est.)	3.6%
Interest rate (31 December 2016 est.)	7.1%
Unemployment rate (2016 est.)	5.6%

ECONOMIC INFORMATION	
Exports (2016)	USD183.6 billion
Imports (2016)	USD127.8 billion
Doing Business in...(2018 ranking)	92

Source: Ease of Doing Business, 2018; CIA World Factbook, 2018

The figure below illustrates the GDP value and growth for Saudi Arabia's economy for the period 2014 to 2022. According to Business Monitor International (2018), Saudi Arabia's GDP growth forecast is expected to increase from 1.13% in 2018 to 2% in 2022. Saudi Arabia's economy will emerge from recession in 2018, as oil production gradually returns to growth and business and consumer confidence improves on the back of rising oil prices and the easing of fiscal consolidation. That said, growth will remain slow by historical standards, as diversification-related reforms take time to yield concrete results.



Source: IMF, 2018

Key industries: in Saudi Arabia the key industries are crude oil production, petroleum refining, basic petrochemicals, ammonia, industrial gases, sodium hydroxide (caustic soda), cement, fertilizer, plastics, metals, commercial ship repair, commercial aircraft repair and construction. The main agricultural products produced in Saudi Arabia are wheat, barley, tomatoes, melons, dates, citrus; mutton, chickens, eggs, milk.

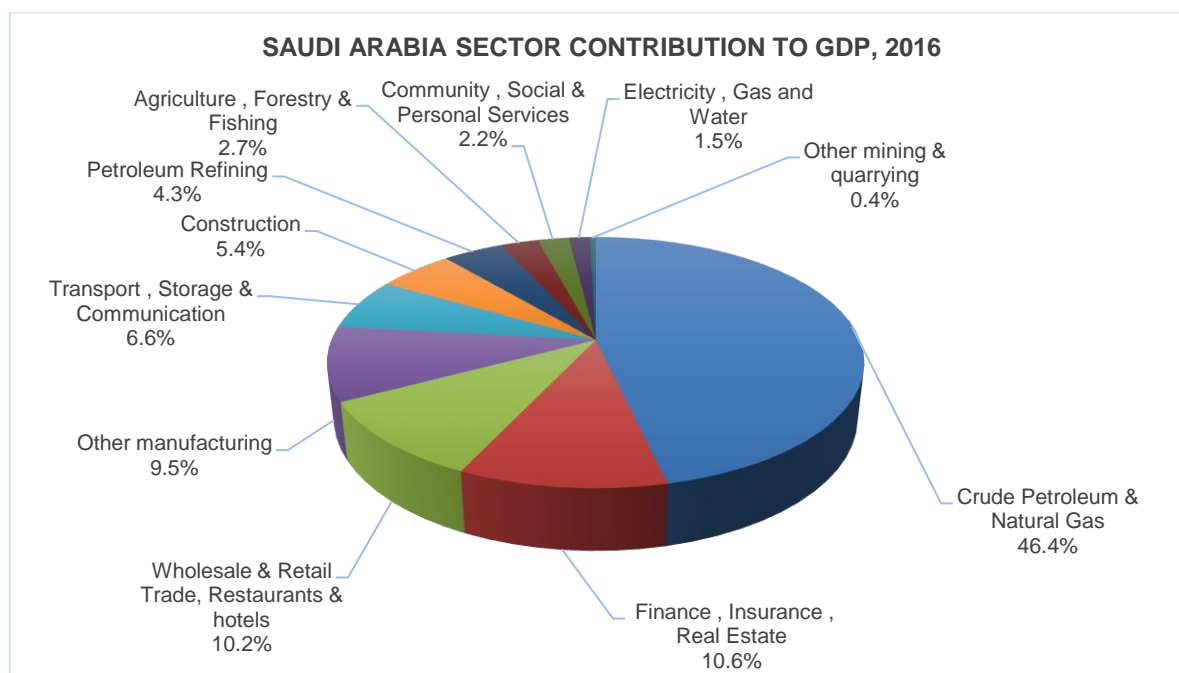
Some key sectors in Saudi Arabia are highlighted below:

Petroleum: Saudi Arabian oil reserves are the 2nd largest in the world, and the country has the 5th largest proven natural gas reserves. It has third highest total estimated value of natural resources, valued at US\$34.4 trillion in 2016. Saudi Arabia is the world's leading oil producer and largest exporter. Oil accounts for more than 90% of the country's exports and nearly 75% of government revenues. The petrochemicals sector is the largest non-oil sector in Saudi Arabia. Saudi Arabia is the world's 11th largest petrochemicals supplier, accounting for 7-8% of total supply. While the nation's current strengths lie in the production of basic petrochemical building blocks such as ethylene and methanol, there are plans to diversify its petrochemical portfolio into more complex, distinctive products such as specialty chemicals and engineering thermoplastics.

ICT: With over 27 million consumers and a number of global enterprises, Saudi Arabia is the largest ICT market by far in the Middle East. For example, the Saudi Arabian telecommunications and information technology industries represent over 55% and 51% of the total Middle East markets, respectively.

Transport and logistics: Saudi Arabia's strategic location and large-scale infrastructure development will position Saudi Arabia as one of the world's leading transport and logistics hubs. The transport and logistics sector in Saudi is supporting a population of 27.14 million (2010), and within only 3 hours flying radius, this sector can serve both cargo and passengers of more than 250 million inhabitants in neighbouring countries.

According to the figure below, Saudi Arabia's largest sector was crude petroleum and natural gas sector at 46% share of GDP in 2016, followed by finance, insurance, real estate and business services with 10.6% share of GDP.



Source: Saudi Arabia Central Department of Statistics & Information, 2017

The table below lists Saudi Arabia's top 20 companies on the Forbes List in 2017.

TOP 20 SAUDI ARABIAN COMPANIES ON FORBES TOP 2000 COMPANIES IN THE WORLD, 2017						
FORBES RANK	COMPANY	SECTOR	SALES (USDbn)	PROFITS (USDbn)	ASSETS (USDbn)	MARKET VALUE (USDbn)
#117	Saudi Basic Industries	Chemicals	\$35.4 B	\$4.8 B	\$84.5 B	\$80.7 B
#350	Saudi Telecom	Telecommunications	\$13.8 B	\$2.3 B	\$27.1 B	\$37.3 B
#428	National Commercial Bank	Banking	\$6.1 B	\$2.5 B	\$117.7 B	\$20.6 B
#431	Saudi Electricity	Energy	\$13.3 B	\$561 M	\$107.4 B	\$26.6 B
#515	Al Rajhi Bank	Banking	\$4.5 B	\$2.2 B	\$90.5 B	\$27.6 B
#777	Samba Financial Group	Banking	\$2.4 B	\$1.3 B	\$61.7 B	\$11.3 B
#923	Saudi British Bank	Banking	\$2.2 B	\$1 B	\$49.6 B	\$8.8 B
#944	Banque Saudi Fransi	Banking	\$2.2 B	\$936 M	\$54.2 B	\$8.4 B
#959	Riyad Bank	Banking	\$2.6 B	\$891 M	\$58 B	\$8.3 B
#1200	Arab National Bank	Banking	\$2.2 B	\$761 M	\$45.3 B	\$5.3 B
#1386	Saudi Arabian Mining	Minerals & mining	\$2.5 B	\$107 M	\$25.9 B	\$12.7 B
#1404	Almarai	Food processing	\$3.9 B	\$537 M	\$7.7 B	\$15.1 B
#1549	Alinma Bank	Banking	\$1.1 B	\$401 M	\$27.9 B	\$6 B
#1845	Petro Rabigh	Refining & Petrochemical	\$6.7 B	\$10 M	\$15.5 B	\$3 B
#1858	Alawwal Bank	Banking	\$1.4 B	\$284 M	\$28 B	\$3.4 B
#1864	Jabal Omar Development	Real estate	\$450 M	\$196 M	\$6.1 B	\$16.9 B
#1943	Saudi Investment Bank	Investment Bank	\$1 B	\$281 M	\$25.2 B	\$2.6 B

Source: Forbes 2000, 2018

2.1 Doing Business in Saudi Arabia

According to the *World Bank's Doing Business 2017* report, Saudi Arabia is ranked 92nd out of 190 countries in terms of ease of doing business. Saudi Arabia's ease of doing business is evident in terms of protecting investors (10th); registering property (24th) and property permits (38th).

SAUDI ARABIA EASE OF DOING BUSINESS, 2018	
TOPIC RANKING	RANKING OUT OF 190 COUNTRIES, 2018
Starting a Business	135
Dealing with Construction Permits	38
Getting Electricity	59
Registering Property	24
Getting Credit	90
Protecting Investors	10
Paying Taxes	76
Trading Across Borders	161
Enforcing Contracts	83
Resolving Insolvency	168
Doing Business 2018	92

Source: *Cost of Doing Business, 2017*

2.2 Saudi Arabia Risk Ratings

According to Moodys, Saudi Arabia's A1 stable long-term issuer rating reflects very high levels of fiscal and economic strength, high institutional strength, and a moderate susceptibility to event risks. Strong growth in oil revenues until the oil price shock in 2014 allowed for the build-up of a sizeable asset cushion and sharp debt reduction. Although the decline in oil prices pushed the budget balance into sizable deficits, eroding the government's reserves and prompting it to issue bonds on the international market for the first time in 2016, the fiscal position remains strong.

According to Standard and Poors, the stable outlook is based on their expectation that the Saudi authorities will take steps to consolidate public finances and maintain government liquid assets close to 100% of GDP over the next two years.

SAUDI ARABIA'S COUNTRY RATINGS				
STANDARD & POORS SOVEREIGN RATINGS			FITCH RATING	MOODY'S RATINGS
Local Currency Rating	Foreign Currency Rating	T&C Assessment	Credit Rating	Credit Rating
A-	A-	A-	A+	A1

Source: *Standard & Poors, 2018*

The table below shows Saudi Arabia's risk assessment in terms of export transactions and direct investments. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators. The political risk in Saudi Arabia is low in the short term and medium to long-term. Special transaction risk and short term political risk are both low, while medium to long term political risk is rated as moderate. Direct investment risks are all rated medium.

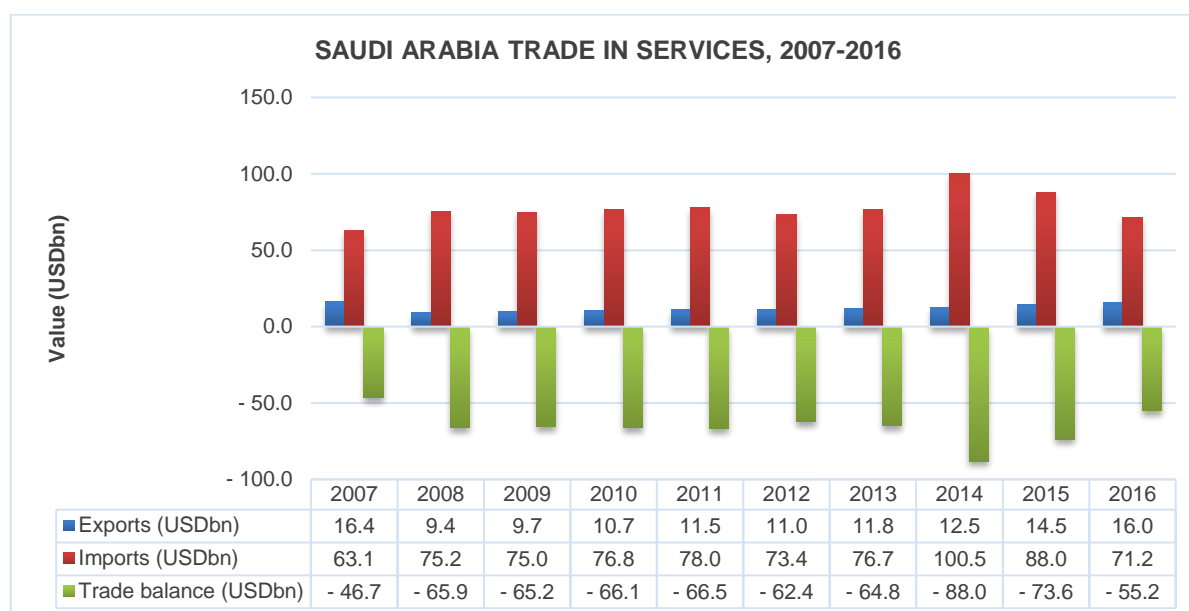
SAUDI ARABIA RISK ASSESSMENT		
EXPORT TRANSACTIONS		
Political Risks	Short Term	2
	Medium-Long term	3
	Special Transactions	2
Commercial Risk	C	
DIRECT INVESTMENTS		
War risk	4	
Risk of expropriation and government action	4	
Transfer risk	3	

Source: *ONDD, 2018*

3. Trade

3.1 Saudi Arabia's Global Trade in Services

Saudi Arabia's exports of services increased by 10.3% in 2016 to reach USD16bn from USD14.5bn in 2015. Saudi Arabia's imports of services reach USD71bn. From 2007 to 2016 a negative trade balance was experienced by Saudi Arabia, reaching USD55.2bn in 2016 the second lowest value the period analysed.



Source: TradeMap, 2018

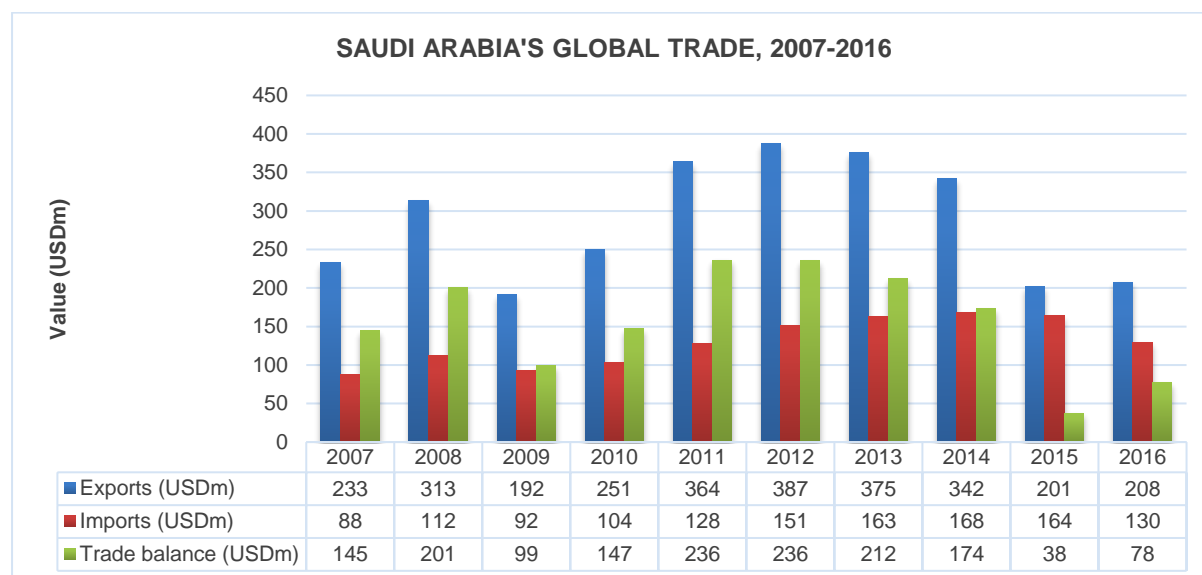
The table below shows Saudi Arabia's trade in services for the period 2016. Travel was the largest services export valued at USD11bn followed by transport valued at USD3bn. Government services was the largest import service into Saudi Arabia valued at USD20bn followed by travel and transport services valued at USD19bn and USD15bn respectively.

SAUDI ARABIA'S TOP 10 EXPORTS OF SERVICES, 2016				SAUDI ARABIA'S TOP 10 IMPORTS OF SERVICES, 2016			
CODE	SERVICE	VALUE 2016 (USDm)	% GROWTH 2012-2016	Code	SERVICE	VALUE 2016 (USDm)	% GROWTH 2012-2016
4	Travel	11 096	6.19%	12	Government goods and services n.i.e.	20 193	1.55%
3	Transport	3 084	9.52%	4	Travel	18 719	3.17%
12	Government goods and services n.i.e.	690	13.53%	3	Transport	15 232	0.86%
7	Financial services	574	47.94%	10	Other business services	6 287	-8.24%
9	Telecommunications, computer, and information services	273	2.47%	5	Construction	5 546	16.89%
6	Insurance and pension services	221	11.44%	9	Telecommunications, computer, and information services	2 749	2.88%
10	Other business services	21	-5.23%	6	Insurance and pension services	1 527	-3.15%
-	-	-	-	7	Financial services	905	-6.02%
TOTAL EXPORTS		15 958	6.99%	TOTAL IMPORTS		71 159	-0.39%

Source: TradeMap, 2018

3.2 Saudi Arabia's Global Trade in Products

Global exports from Saudi Arabia in 2016 were valued at USD208bn compared to USD201bn in 2015 increasing by 3%. Global imports into Saudi Arabia were valued at USD130bn in 2016. The trade balance over the reviewed period was been consistently positive as Saudi Arabia was a net exporter.



Source: TradeMap, 2018

United Arab Emirates was the leading export market for Saudi Arabia with a value of USD6.6bn. China and India were ranked second and third valued at USD4.1bn and USD2.5bn respectively. Other top destination markets were Singapore (USD2.2bn); Kuwait (USD1.8bn) and Qatar (USD1.7bn).

TOP 10 DESTINATION MARKETS FOR EXPORTS FROM SAUDI ARABIA, 2016				
RANK	MARKET	VALUE 2016 (USDbn)	% GROWTH 2012-2016	% SHARE 2016
1	United Arab Emirates	6.6	5.22%	3.16%
2	China	4.1	-5.58%	1.99%
3	India	2.5	3.77%	1.18%
4	Singapore	2.2	-5.37%	1.07%
5	Kuwait	1.8	2.82%	0.85%
6	Qatar	1.7	3.98%	0.80%
7	Bahrain	1.6	4.92%	0.75%
8	Egypt	1.5	0.53%	0.73%
9	Turkey	1.5	-1.24%	0.73%
10	Belgium	1.3	-3.42%	0.62%
36	South Africa	0.3	-4.91%	0.14%
TOTAL EXPORTS		207.6	-8.74%	100%

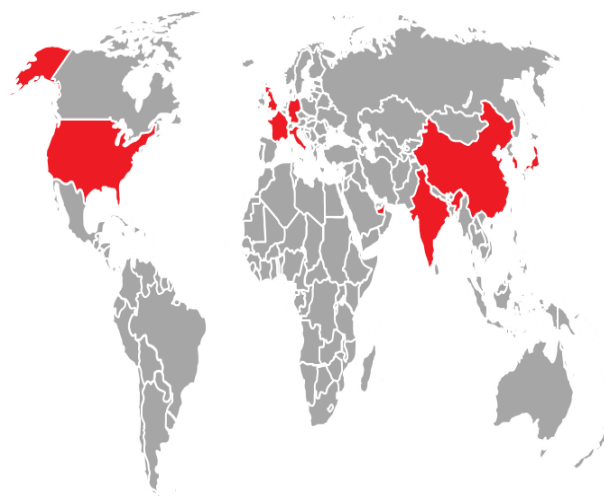
Source: TradeMap, 2018



China was the leading import market in 2016 valued at USD19bn. The United States and Germany were ranked second and third valued at USD17bn and USD8bn respectively. Other top import markets were Japan (USD7.2bn); United Arab Emirates (USD6.9bn) and Korea, Republic of (USD5.9bn).

TOP 10 SOURCE MARKETS FOR IMPORTS TO SAUDI ARABIA, 2016				
RANK	MARKET	VALUE 2016 (USDbn)	% GROWTH 2012-2016	% SHARE 2016
1	China	18.8	2.79%	14.52%
2	United States	17.3	2.30%	13.36%
3	Germany	8.2	-0.08%	6.30%
4	Japan	7.2	-1.22%	5.53%
5	United Arab Emirates	6.9	6.62%	5.34%
6	Korea, Republic of	5.9	-2.65%	4.52%
7	India	4.9	3.99%	3.80%
8	Italy	4.2	-0.66%	3.26%
9	France	3.4	-1.93%	2.63%
10	United Kingdom	3.0	-1.59%	2.34%
34	South Africa	0.7	15.82%	0.54%
TOTAL IMPORTS		129.8	1.16%	100.00%

Source: TradeMap, 2018



In 2016 Saudi Arabia was the 23rd largest exporter of global goods at USD208bn and the 32nd largest importer of global goods at USD130bn.

Source: TradeMap, 2018

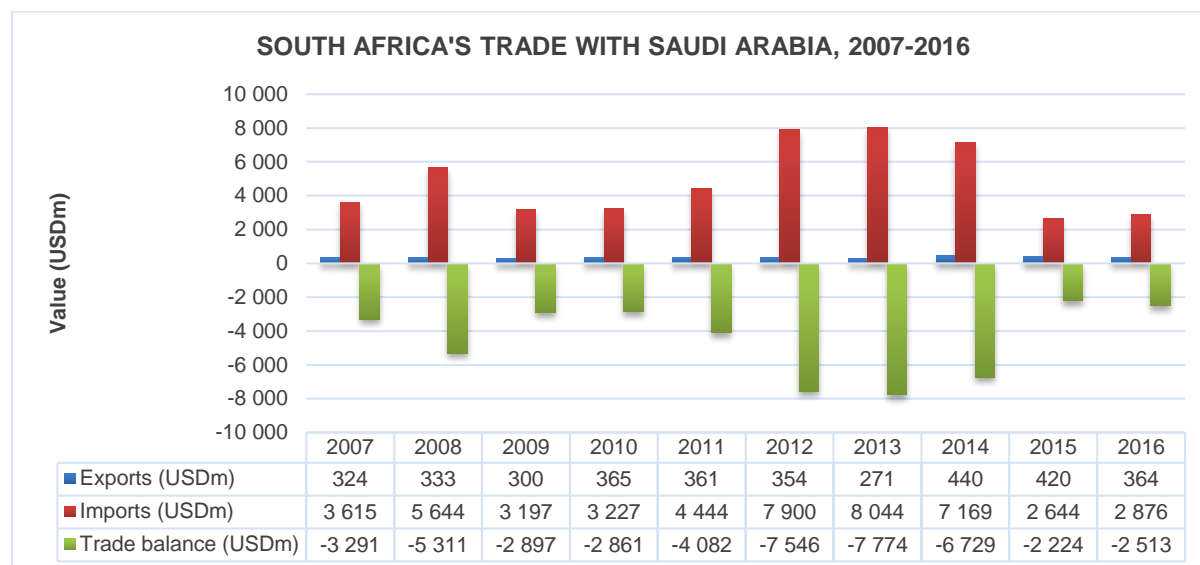
Crude petroleum was the leading export product valued at USD136bn. Refined petroleum (USD24bn) and polymers of ethylene, in primary forms (USD8.1bn) were ranked second and third respectively. Motor cars was the leading import product by Saudi Arabia, valued at USD12.9bn, followed by telephone sets valued at USD5bn.

SAUDI ARABIA'S TOP 10 EXPORTS, 2016				SAUDI ARABIA'S TOP 10 IMPORTS, 2016			
RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2012-2016
1	Crude petroleum oils and oils obtained from bituminous minerals	136.2	-10.92%	1	Motor cars and other motor vehicles principally designed for the transport of persons	12.9	5.10%
2	Refined petroleum oils and oils obtained from bituminous minerals; preparations containing	23.7	4.31%	2	Telephone sets, incl. telephones for cellular networks or for other wireless networks	5.1	-0.33%
3	Polymers of ethylene, in primary forms	8.1	0.87%	3	Commodities not elsewhere specified	4.9	7235.08%
4	Polymers of propylene or of other olefins, in primary forms	4.4	0.55%	4	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	3.5	15.17%
5	Petroleum gas and other gaseous hydrocarbons	3.8	-12.67%	5	Parts of aircraft and spacecraft of heading 8801 or 8802, n.e.s.	2.7	15.08%
6	Ethers, ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides, ether peroxide	3.2	24.17%	6	Motor vehicles for the transport of goods, incl. chassis with engine and cab	2.2	4.80%
7	Tugs and pusher craft	1.8	85.49%	7	Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured ...	2.2	15.72%
8	Cyclic hydrocarbons	1.5	-4.08%	8	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, ...	1.6	5.85%
9	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives	1.4	-24.72%	9	Meat and edible offal of fowls of the species Gallus domesticus, ducks, geese, turkeys	1.5	-2.62%
10	Unwrought aluminium	1.1	971.64%	10	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons	1.4	-4.14%
TOTAL EXPORTS		207.6	-8.74%	TOTAL IMPORTS		129.8	1.16%

Source: TradeMap, 2018

3.3 Trade with South Africa

South Africa exported goods to Saudi Arabia valued at USD364m in 2016 compared to USD354bn in 2012, representing an average annual increase of 3.8%. Imported goods were valued at USD2.9bn in 2016 compared to USD2.6bn in 2015, increasing by 8.8%. South Africa had a constant trade deficit with Saudi Arabia, with imports exceeding exports over the ten year period.



Source: Quantec, 2018

The leading export product to Saudi Arabia from South Africa was citrus fruit valued at USD88m, followed by aluminium plates (USD35m). Electrical machines and apparatus was the fastest growing export product over the five year period.

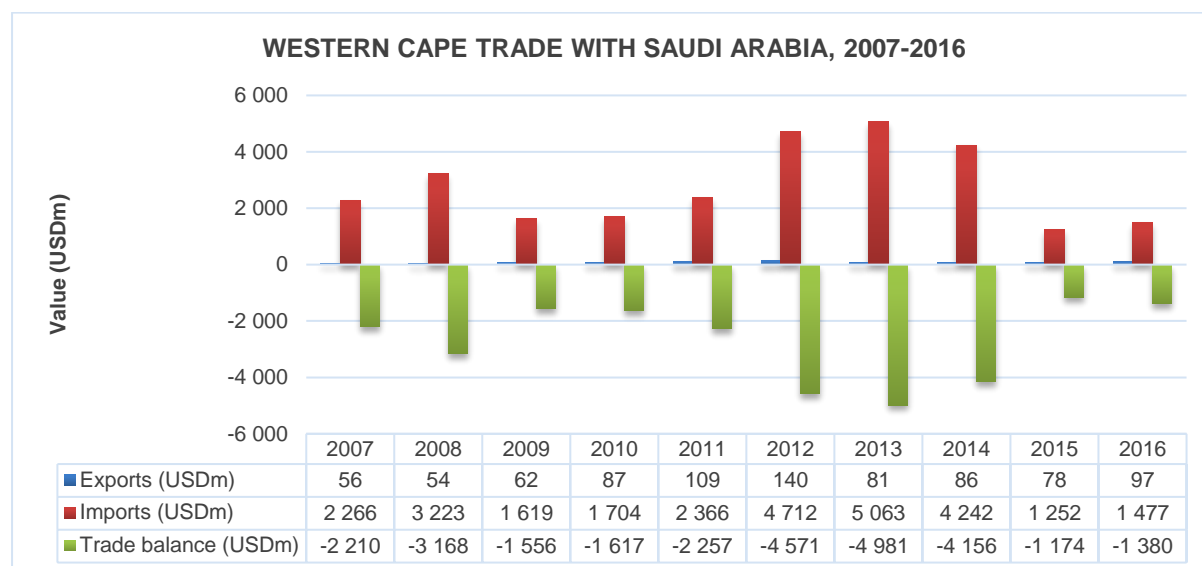
The leading imported product from Saudi Arabia into South Africa was crude petroleum valued at USD2.4bn, followed by refined petroleum (USD115m) of the top products. The import of refined petroleum was the fastest growing import into South Africa from Saudi Arabia over the five year period.

SOUTH AFRICA'S TOP 10 EXPORTS TO SAUDI ARABIA'S, 2016				SOUTH AFRICA'S TOP 10 IMPORTS FROM SAUDI ARABIA'S, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	Citrus fruit	87.6	1.48%	1	Crude petroleum oils	2 382.9	6.61%
2	Aluminium plates, sheets and strip	35.2	33.56%	2	Refined petroleum oils	115.1	165.58%
3	Motor vehicles for the transport of goods	33.0	-	3	Polymers of ethylene, in primary forms	107.8	-1.01%
4	Tanks and other armoured fighting vehicles, motorised	15.0	-	4	Mineral or chemical fertilizers, nitrogenous	59.6	-12.74%
5	Electrical machines and apparatus, having individual functions	12.4	2805.64%	5	Acyclic hydrocarbons	35.4	-17.89%
6	Apples, pears and quinces	11.7	23.45%	6	Cyclic hydrocarbons	34.4	-1.95%
7	Motor cars and other motor vehicles principally designed for the transport of persons	10.6	-	7	Acyclic alcohols and their halogenated, sulphonated, nitrated	32.1	-9.44%
8	Swedes, mangolds, fodder roots, hay, lucerne (alfalfa), clover, sainfoin, forage kale	9.3	-	8	Mixed alkylbenzenes and mixed alkylnaphthalenes	17.5	6.38%
9	Acyclic hydrocarbons	8.0	-	9	Sulphur, sublimed or precipitated; colloidal sulphur	13.1	11.16%
10	Telephone sets, including telephones for cellular networks or for other wireless networks	7.9	175.08%	10	Nonwovens, whether or not impregnated, coated, covered or laminated	10.4	22.03%
TOTAL EXPORTS		363.6	3.82%	TOTAL IMPORTS		2876.5	2.88%

Source: Quantec, 2018

3.4 Trade with the Western Cape

The province exported goods to the value of USD97m in 2016 compared to USD78m in 2015, representing a increase of 24%, while imported goods were valued at USD1.5bn in 2016 compared to USD1.3bn in 2015, increasing by 17.9%.



Source: Quantec, 2018

Citrus fruit was the leading export product category to Saudi Arabia from the Western Cape in 2016, valued at USD51.4m, followed by apples, pears and quinces (USD10.6m). The leading import products into the Western Cape from Saudi Arabia include crude petroleum valued at USD1.4bn, followed by refined petroleum valued at USD18.4m.

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WESTERN CAPE'S TOP 10 EXPORTS TO SAUDI ARABIA'S, 2016				WESTERN CAPE'S TOP 10 IMPORTS FROM SAUDI ARABIA'S, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE, 2016 (USDm)	% GROWTH 2012-2016
1	Citrus fruit	51.4	-3.94%	1	Crude petroleum oils	1 416.5	10.04%
2	Apples, pears and quinces	10.6	23.72%	2	Refined petroleum oils	18.4	129.77%
3	Flat-rolled products of iron or non-alloy steel	7.1	-	3	Mixed alkylbenzenes and mixed alkylnaphthalenes	17.5	19.87%
4	Apricots, cherries, peaches, plums and sloes	5.1	7.86%	4	Sulphur, sublimed or precipitated; colloidal sulphur.	10.8	-
5	Grapes	3.4	-3.90%	5	Polymers of ethylene, in primary forms.	6.5	-
6	Prepared explosives	3.4	-	6	Crustaceans	2.4	-
7	Parts and accessories suitable for use solely or principally with machines of headings 84.69 to 84.72.	2.7	-	7	Cyclic hydrocarbons.	1.8	8.51%
8	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs	2.1	-	8	Acyclic alcohols and their halogenated, sulphonated, nitrated	0.6	-32.50%
9	Transfers (decalcomanias).	2.0	-1.75%	9	Petroleum gases and other gaseous hydrocarbons.	0.5	-
10	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus.	1.3	-	10	Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated	0.4	28.57%
TOTAL EXPORTS		96.7	1.47%	TOTAL IMPORTS		1 476.7	7.56%

Source: Quantec, 2018

3.5 Saudi Arabia's Trade Agreements

Saudi Arabia is a member of the key trade agreements below:

International Economic Cooperation: Saudi Arabia is a main player in the commercial life around the world. By signing agreements with world trade organizations and many European and Asian countries, Saudi Arabia has created a powerful cooperation within the world economy.

Gulf Cooperation Council : The Gulf Cooperation Council (GCC) was founded in May 1981, by the leaders of the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Sultanate of Oman, the State of Qatar and the State of Kuwait. The GCC Charter documents the special relations of the six states, their common qualities and similar systems founded on the creed of Islam, and their faith in a common destiny.

3.6 Port to Port

The table below shows the distance and time it takes goods to travel from Cape Town Port terminal to Saudi Arabia:

CAPE TOWN PORT TERMINAL TO SAUDI ARABIA'S MAIN SEA PORTS		
SEA PORTS	DISTANCE	TRANSIT TIME
Dammam Terminal	9388.15km	15 days 2 hours
Dhuba	9464.47km	15 days 5 hours
Dhuba Bulk Plant Terminal	9444.08km	15 days 4 hours
Gizan	8170.51km	13 days 3 hours
Jeddah Terminal	8793.88km	14 days 3 hours
Jubail Terminal	9450.76km	15 days 4 hours
Qadhimah	8895.86km	14 days 7 hours
Rabigh	8941.34km	14 days 8 hours
Ras al Mishab	9572.02km	15 days 9 hours
Ras Tanura	9391.26km	15 days 2 hours

Source: Sea-Rates, 2018

3.7 Tariffs

Saudi Arabia's tariffs imposed on South Africa's export products (HS2) are shown in the table below.

SAUDI ARABIA'S TARIFF IMPOSED ON SOUTH AFRICAN EXPORTS (HS2), 2016								
HS CODE	PRODUCT	Total ad valorem equivalent tariff (%)	HS CODE	PRODUCT	Total ad valorem equivalent tariff (%)	HS CODE	PRODUCT	Total ad valorem equivalent tariff (%)
01	Live animals	0	34	Soaps, lubricants, waxes, candles, modelling pastes	5	67	Bird skin, feathers, artificial flowers, human hair	5
02	Meat and edible meat offal	11	35	Albuminoidal substances; modified starches; glues; enzymes	5	68	Stone, plaster, cement, asbestos, mica, articles	5
03	Fish, crustaceans, molluscs, aquatic invertebrates	3	36	Explosives, pyrotechnics, matches, pyrophorics	5	69	Ceramic products	5
04	Dairy products, eggs, honey, edible animal product	5	37	Photographic or cinematographic goods	5	70	Glass and glassware	5
05	Products of animal origin, not elsewhere specified or included	6	38	Miscellaneous chemical products	5	71	Pearls, precious stones, metals, coins	4
06	Live trees, plants, bulbs, roots, cut flowers	4	39	Plastics and articles thereof	5	72	Iron and steel	5
07	Edible vegetables and certain roots and tubers	2	40	Rubber and articles thereof	5	73	Articles of iron or steel	5
08	Edible fruit and nuts; peel of citrus fruits or melons	1	41	Raw hides and skins (other than furskins) and leather	6	74	Copper and articles thereof	5

SAUDI ARABIA'S TARIFF IMPOSED ON SOUTH AFRICAN EXPORTS (HS2), 2016

HS CODE	PRODUCT	Total ad valorem equivalent tariff (%)	HS CODE	PRODUCT	Total ad valorem equivalent tariff (%)	HS CODE	PRODUCT	Total ad valorem equivalent tariff (%)
09	Coffee, tea, maté and spices	1	42	Articles of leather, animal gut, harness, travel goods	5	75	Nickel and articles thereof	5
10	Cereals	0	43	Furskins and artificial fur; manufactures thereof	5	76	Aluminium and articles thereof	5
11	Products of the milling industry; malt; starches; inulin; wheat gluten	2	44	Wood and articles of wood; wood charcoal	5	78	Lead and articles thereof	5
12	Oil seed, oleagic fruits, grain, seed, fruit	2	45	Cork and articles of cork	5	79	Zinc and articles thereof	5
13	Lac; gums, resins and other vegetable saps and extracts	5	46	Manufactures of plaiting material, basketwork,	5	80	Tin and articles thereof	5
14	Vegetable plaiting materials, vegetable products	5	47	Pulp of wood, fibrous cellulosic material, waste	5	81	Other base metals; cermets; articles thereof	5
15	Animal, vegetable fats and oils, cleavage products	5	48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	5	82	Tools, implements, cutlery, of base metal	5
16	Meat, fish and seafood food preparations	7	49	Printed books, newspapers, pictures	2	83	Miscellaneous articles of base metal	5
17	Sugars and sugar confectionery	0	50	Silk	5	84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	4
18	Cocoa and cocoa preparations	14	51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric	5	85	Electrical, electronic equipment	3
19	Preparations of cereals, flour, starch or milk; pastrycooks' products	3	52	Cotton	5	86	Railway, tramway locomotives, rolling stock, equipment	5
20	Preparations of vegetables, fruit, nuts or other parts of plants	9	53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	5	87	Vehicles other than railway, tramway	5
21	Miscellaneous edible preparations	5	54	Man-made filaments	5	88	Aircraft, spacecraft, and parts thereof	2
22	Beverages, spirits and vinegar	48	55	Man-made staple fibres	5	89	Ships, boats and floating structures	0
23	Residues and waste from the food industries; prepared animal fodder	2	56	Wadding, felt, nonwovens, yarns, twine, cordage	5	90	Optical, photo, technical, medical, apparatus	4
24	Tobacco and manufactured tobacco substitutes	239	57	Carpets and other textile floor coverings	5	91	Clocks and watches and parts thereof	5
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	5	58	Special woven or tufted fabric, lace, tapestry	5	92	Musical instruments; parts and accessories of such articles	5
26	Ores, slag and ash	5	59	Impregnated, coated or laminated textile fabric	5	93	Arms and ammunition; parts and accessories thereof	5
27	Mineral fuels, oils, distillation products	5	60	Knitted or crocheted fabrics	5	94	Furniture, lighting, signs, prefabricated buildings	5
28	Inorganic chemicals, precious metal compound, isotopes	5	61	Articles of apparel and clothing accessories, knitted or crocheted	5	95	Toys, games, sports requisites	5
29	Organic chemicals	3	62	Articles of apparel and clothing accessories, not knitted or crocheted	5	96	Miscellaneous manufactured articles	5
30	Pharmaceutical products	0	63	Other made textile articles, sets, worn clothing	5	97	Works of art, collectors' pieces and antiques	5

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SAUDI ARABIA'S TARIFF IMPOSED ON SOUTH AFRICAN EXPORTS (HS2), 2016

HS CODE	PRODUCT	Total ad valorem equivalent tariff (%)	HS CODE	PRODUCT	Total ad valorem equivalent tariff (%)	HS CODE	PRODUCT	Total ad valorem equivalent tariff (%)
31	Fertilizers	5	64	Footwear, gaiters and the like; parts of such articles	5	-	-	
32	Tanning, dyeing extracts, tannins, derivatives, pigments	5	65	Headgear and parts thereof	5		-	
33	Essential oils, perfumes, cosmetics, toiletries	5	66	Umbrellas, walking-sticks, seat-sticks, whips	5		-	

Source: Market Access Map, 2018

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

3.8 Trade regulations, Customs and Standards

Import Tariffs on Food/Agricultural Products

The vast majority of food products are subject to a 5 percent import duty. Selected processed food products, however, are assessed higher import duties. In order to protect local food processors and production from competitively priced imports, Saudi Arabia ties import duties to the level of local production of similar products. As a general rule, a maximum import tariff rate of 40 percent ad-valorem is applied when local production of a food or agricultural product exceeds a self-sufficiency level.

Imports of rice, baby milk and animal feed (soybean meal, feed corn, barley, rice, sorghum, palm kernel meal, wheat bran, alfalfa, hay, sugarcane molasses, rice bran, and sunflower meal, oats, canola meal, fish meal, alfalfa pellets, soy bean hulls, sunflower hulls, and rice bran) are subsidized while coffee, tea and fresh red meat enter the country duty-free. Saudi Arabia has no tariff rate quota (TRQ) requirement.

In April 2017, the country began levying a 50 percent excise tax on soft drinks and a 100 percent tax on cigarettes, tobacco products, and energy drinks

Import Requirements and Documentation

Under its WTO obligations, Saudi Arabia has committed to implement a transparent and predictable import licensing system. The following documents are required for exporting goods to Saudi Arabia:

- certificate of origin;
- commercial invoice (in triplicate) which must state the country of origin, name of the carrier, brand and number of goods, and description of the goods including weight and value;
- a clean bill of lading or airway bill;
- documents indicating compliance with health regulations, if applicable;
- insurance documents, if shipments are sent CIF;
- packing list; and
- certificate of conformity with applicable Saudi Arabian standards, if available.

The original documents must be accompanied by an Arabic translation of a radiation certificate, if applicable. Saudi exporters need to submit a copy of their commercial registration, which indicates they are allowed to export. They are also required to submit a certificate of origin of Saudi products (issued by the Ministry of Commerce and Investment). Certain items such as antiques, Arabian horses, livestock, or subsidized items need special approval to export, e.g., feed additives require a Certificate of Analysis that needs to be authenticated. Exports of oil, petroleum products, natural gas and wheat all require export licenses. Saudi Arabia has removed its export ban on all scrap metals and will not apply export duties on these products.

Labelling and Marking

Labelling and marking requirements are compulsory for any products exported to Saudi Arabia. Labelling is particularly important for companies marketing food products, personal care products, health care products, and pharmaceuticals. Labels must be in Arabic for any imported foodstuff item, which should basically reveal the same information on the container as in the foreign language.

The product(s) must have a label or sticker showing the statutory information such as

- product name,
- country of origin,
- producer's name and address,
- production and expiry/use by dates,
- in Arabic and English languages (samples imported must be labelled at least in English).

Product Certification

The Saudi Arabian Standards Organization SASO has its own certification organization for locally manufactured products, as several SASO employees have been certified to work as professional auditors in conformance with ISO 9000 series standards. For imported products, the Ministry of Commerce and Industry will implement the CoC program, which should be abolished under Saudi Arabia's WTO accession commitments.

Customs Regulations

The Department of Customs at the Ministry of Finance appraises all merchandise moving through Saudi customs ports. Moreover, the Saudi Food & Drug Authority (SFDA) was empowered by the Saudi Council of Ministers to have a representative at nine Saudi ports of entry with Saudi Custom officials to regulate and control the entry of medical devices.

As such, medical devices are only allowed entry into Saudi Arabia through the three international airports, two main seaports in Jeddah and Dammam, and three land entry points in Batha (UAE border), Hadithah (Jordanian border), and King Fahd Causeway (Bahraini border).

Import valuation is primarily used for collection of import duties and often does not reflect the actual transaction value. Saudi customs valuation procedures are not WTO- consistent, nor are they based on invoice value. Minimum prices are used, and customs agents rely on their own experience and local prices, as well as some contact with manufacturers, to assess import tariffs. For statistical purposes, the valuation of imported merchandise is the Cost-Insurance-Freight (CIF) value or carriage and insurance paid (CIP) if merchandise is imported by intermodal container. The value of exported merchandise is based on Free On Board valuation (FOB). The Saudi tariff nomenclature is consistent with the Harmonized System. There does not seem to be a significant body of rule-making or documentation available. Appeals are frequently made orally, and an appeals committee, under the Deputy Director General of Customs, meets frequently.

Trade Standards

Saudi Arabia adheres to standards developed both domestically by SASO and by the GSO, an umbrella group serving the six countries of the GCC. While the GSO continues to push for standards harmonization across the Gulf, SASO maintains significant authority in developing, elaborating on, and enforcing standards for Saudi Arabia specifically.

Over the course of 2016, Saudi Arabia continued to revise technical regulations for a variety of products based solely on standards developed by the International Organization for Standardization and International Electrotechnical Commission. While standards are set by SASO, the Saudi Ministry of Commerce and Investment laboratories carry out testing of all processed and packaged food items at various ports of entry. The Saudi Ministry of Municipality and Rural Affairs' Environmental Control Department tests foodstuffs at the point of sale for product safety standards. Although SASO has an advisory, rather than enforcement role, it coordinates its activities among different enforcement agencies in the country to control product quality and standards.

Saudi Arabia is the most influential member of the GCC, which includes five other countries in the Arabian Peninsula: United Arab Emirates, Kuwait, Bahrain, Oman, and Qatar. As a group, the GCC strives to create a common set of standards. SASO is the only Saudi organization responsible for setting national standards for commodities and products, measurements, testing methods, meteorological symbols and terminology, commodity definitions, safety measures, and environmental testing, as well as other -requirements approved by the organization's Board of Directors.

The Communications and Information Technology Commission (CITC) has authority over imported telecommunications and IT products and services. Recently, the CITC has taken a more proactive role and has published a number of technical specifications relating to various products and services within its jurisdiction.

The Saudi Food and Drug Authority (SFDA) is responsible for regulating, overseeing, and controlling food, drug, medical devices, as well as setting mandatory standard specifications thereof, whether they are imported or locally manufactured. The control and/or testing activities can be conducted at any of the SFDA's approved laboratories. Moreover, the SFDA is in charge of consumers' awareness on all matters related to food, drug and medical devices and associated products and supplies.

Conformity Assessment

Under the International Conformity Certification Program (ICCP) Saudi Arabia regulates the quality and safety of 76 products. SASO is in charge of implementing and monitoring the ICCP and it does so through an agreement with Intertek, a multinational inspection, product testing and certification company headquartered in London, United Kingdom. Currently, conformity assessment can be requested through a number of Conformity Assessment Bodies (CABs) such as: Bureau Veritas, SGS, and TUV.

Product Certification

The Saudi Arabian Standards Organization SASO has its own certification organization for locally manufactured products, and several SASO employees have been certified to work as professional auditors in conformance with ISO 9000 series standards. For imported products, the Ministry of Commerce and Investment implements the CoC program, which should be abolished under Saudi Arabia's WTO accession commitments.

Labeling and Marking

Labeling and marking requirements are compulsory for any products exported to Saudi Arabia. SASO is responsible for establishing labeling and other marketing guidelines. The Ministry of Commerce and Investment implements SASO guidelines through its inspection and test laboratories at ports of entry into the Kingdom. Companies have to pay special attention to labeling requirements, particularly for food products, personal care products, health care products, and pharmaceuticals. SASO has specific requirements for identifying marks and labels for various imported items. All food products, whether imported for commercial purposes, display, or for sampling, must be fit for human consumption and should meet established shelf life requirements. The product(s) must have a label or sticker showing statutory information such as product name, country of origin, ingredients, producer's name and address, production and expiry/use by dates, instructions for use, in Arabic and English languages (samples imported must be labeled at least in English). It is vital that American exporters adhere to SASO quality standards and labeling regulations to avoid rejection of products at a Saudi port of entry.

Prohibited and Restricted Imports

There are health and sanitation regulations for all imported foods. Importing the following products requires special approval by Saudi Arabian authorities: agriculture seeds, live animals, books, periodicals, movies, and tapes; religious books and tapes; chemicals and harmful materials; pharmaceutical products; wireless equipment, and radio controlled model airplanes; horses; products containing alcohol (e.g., perfume); natural asphalt; and archaeological artifacts.

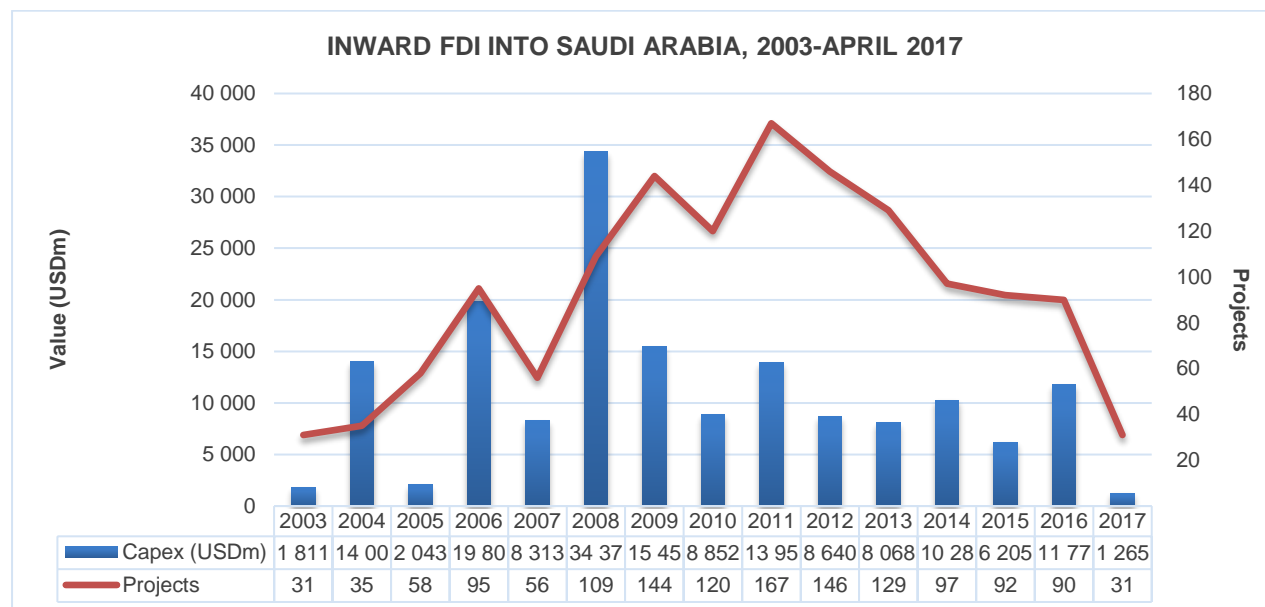
Saudi law prohibits importation of the following products:

- weapons,
- alcohol,
- narcotics,
- pork,
- pornographic materials,
- distillery equipment,
- retreaded or used tires,
- used clothing and
- certain sculptures.

4. FDI

4.1 Inward FDI to Saudi Arabia

Between January 2003 and April 2017 a total of 1,400 FDI projects were recorded into Saudi Arabia. These projects represent a total capital investment of USD164.84bn which is an average investment of USD117.70m per project. During the period, a total of 156,721 jobs were created.



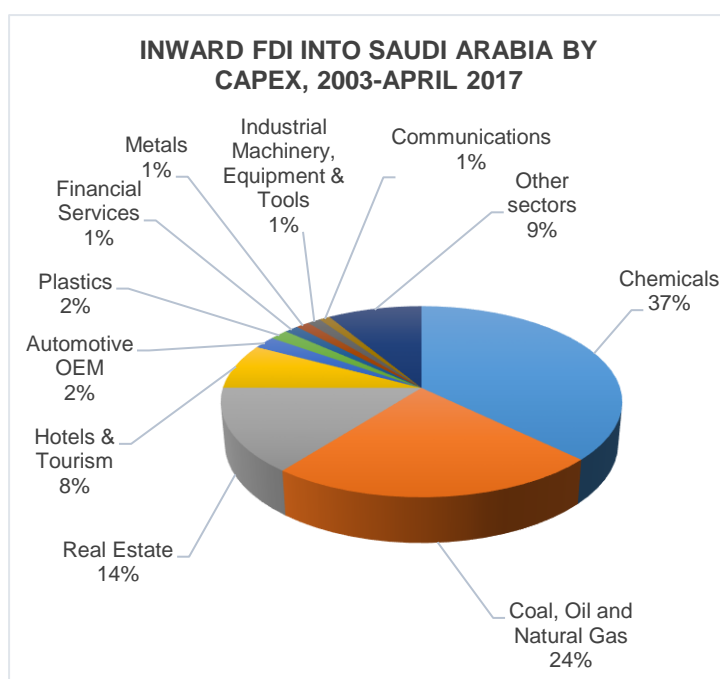
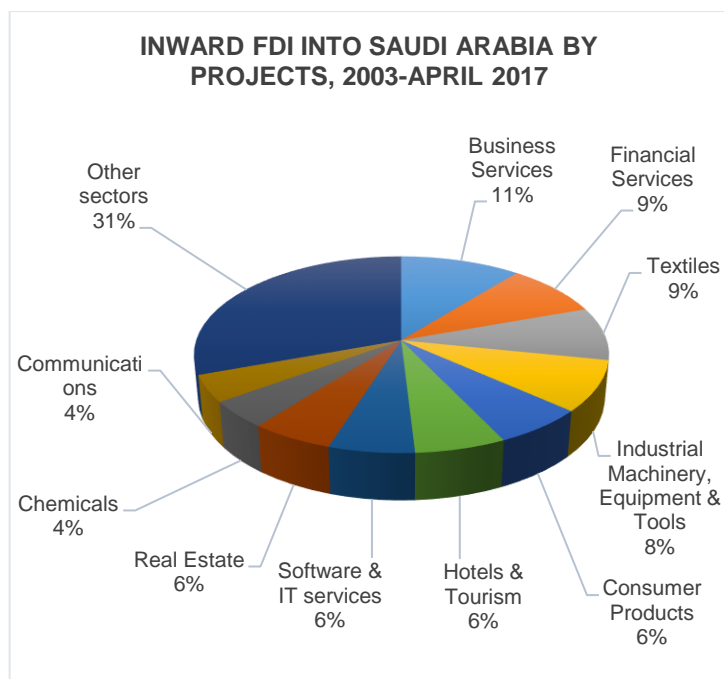
Source: FDI Intelligence, 2018

The figures below shows Saudi Arabia's sector global inward FDI for the period 2003 to April 2017 by number of projects and capex. In terms of sectors by projects most investments were in the following:

- Business services sector received the largest share in terms of projects accounting for 11%,
- Financial services sector 9% of projects and,
- Textiles accounting for 9% of projects.

In terms of sectors capex most investments were in the following:

- Chemicals sector received the largest share in terms of capex accounting for 37%,
- Coal, oil and natural gas sector accounting for 24%, and
- Real estate accounting for 14% capex.



Source: FDI Intelligence, 2018

The UAE was the largest source market for inward FDI into Saudi Arabia in terms of projects, with 269 investment projects, accounting for 19.2% between 2003 and April 2017. The United States and the United Kingdom were ranked second and third accounting for 19.1% and 7.3% respectively.

TOP SOURCE MARKETS FOR FDI TO SAUDI ARABIA, 2003-APRIL 2017							
RANK	SOURCE COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES	% COMPANIES
1	UAE	269	19.21%	18 716	11.35%	159	15.82%
2	United States	268	19.14%	45 716	27.73%	204	20.30%
3	UK	102	7.29%	2 805	1.70%	84	8.36%
4	France	75	5.36%	21 575	13.09%	49	4.88%
5	India	69	4.93%	6 059	3.68%	56	5.57%
6	Japan	53	3.79%	18 350	11.13%	42	4.18%
7	Germany	48	3.43%	3 828	2.32%	40	3.98%
8	Spain	40	2.86%	344	0.21%	29	2.89%
9	Kuwait	38	2.71%	2 680	1.63%	25	2.49%
10	Netherlands	37	2.64%	7 821	4.74%	20	1.99%
TOTAL		1 400	100.00%	164 842	100.00%	1 005	100.00%

Source: FDI Intelligence, 2017

The top 20 global companies investing into Saudi Arabia by projects from 2003 to April 2017 are shown below.

COMPANIES INVESTING INTO SAUDI ARABIA, 2003-APRIL 2017				
RANK	INVESTING COMPANY	SECTORS	PROJECTS	CAPEX (USDm)
1	LuLu	Food & Tobacco	13	723
2	Redtag Group	Textiles	11	40
3	TNT Express	Transportation	11	600
4	Carrefour	Food & Tobacco	10	126
5	3M	Mining & Manufacturing	7	71

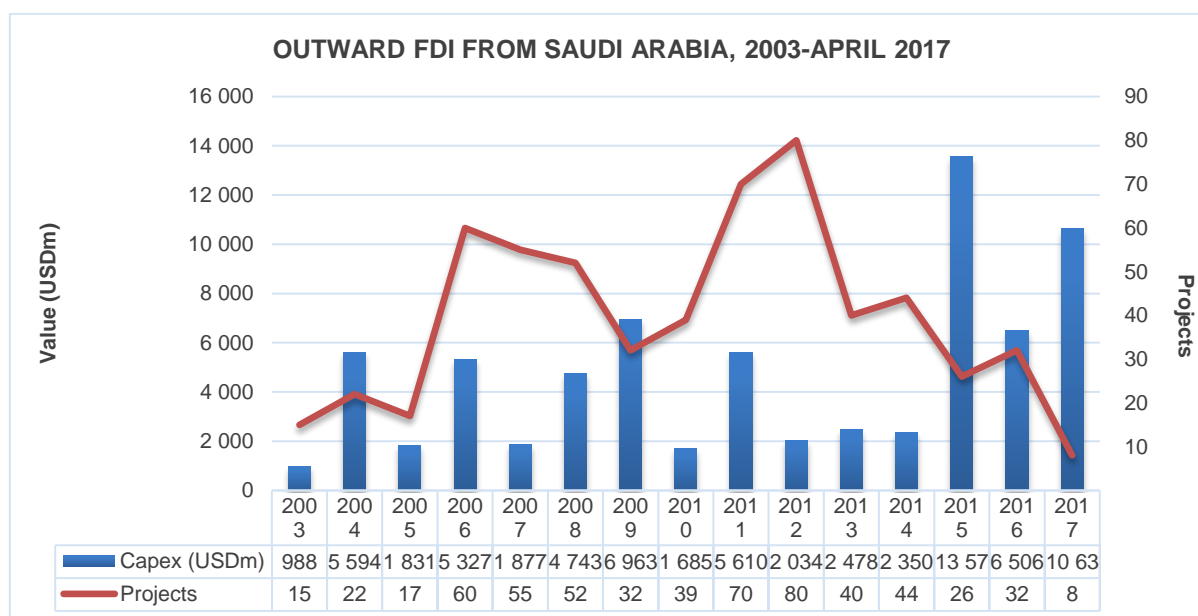
COMPANIES INVESTING INTO SAUDI ARABIA, 2003-APRIL 2017				
RANK	INVESTING COMPANY	SECTORS	PROJECTS	CAPEX (USDm)
6	AXA Cooperative	Insurance	7	160
7	Millennium & Copthorne Hotels	Hotels & Tourism	7	1 595
8	Alshaya International	Retail	6	49
9	Dow Chemical	Chemicals	6	21 914
10	Majid Al Futtaim Group (MAF Group)	Hotels & Tourism	6	5 328
11	Rotana Hotels	Hotels & Tourism	6	1 168
12	Saudi Hollandi Bank	Banking	6	91
13	Ascott Group	Apartments	5	800
14	Cellucom	Wireless Products	5	32
15	Corp Executive Hotels	Hotels	5	1 140
16	DHL Express	Transportation	5	90
17	Emirates NBD	Financial Services	5	76
18	Giordano	Textiles	5	18
19	Hewlett-Packard (HP)	Business Machines & Equipment	5	77
20	Joyalukkas	Consumer Products	5	36

Source: FDI Intelligence, 2018

4.2 Outward FDI from Saudi Arabia

Between January 2003 and April 2017 a total of 592 FDI projects were recorded from Saudi Arabia. These projects represent a total capital investment of USD72.19bn which is an average investment of USD121.90m per project. During the period, a total of 114,320 jobs were created.

20



Source: FDI Intelligence, 2017

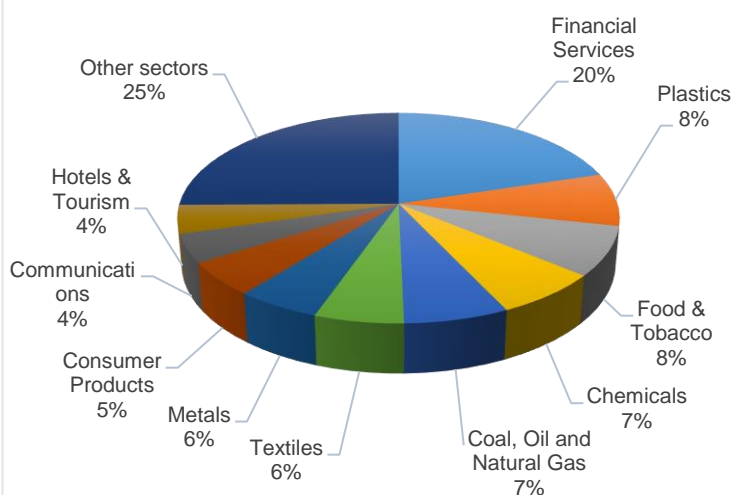
The figure below shows Saudi Arabia's global outward FDI by sector for the period 2003 to April 2017. In terms of projects most investments were in the following:

- Financial services sector received the largest share accounting for 20%,
- Plastics 8% of projects,
- Food and tobacco sector accounting for 8% projects.

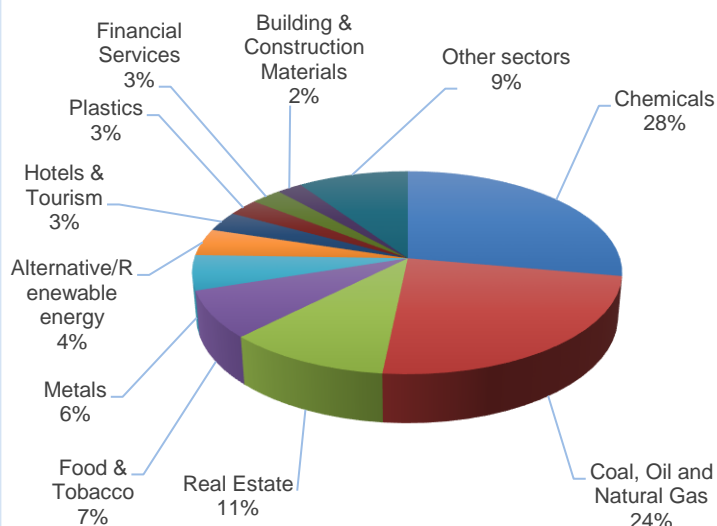
In terms of capex, the most investments were in the following:

- Chemicals sector received the largest share in terms of capex accounting for 28%,
- Coal, oil and natural gas sector accounting for 24%,
- Real Estate sector accounting for 11% of capex.

OUTWARD FDI FROM SAUDI ARABIA BY PROJECTS, 2003-APRIL 2017



OUTWARD FDI FROM SAUDI ARABIA BY CAPEX, 2003-APRIL 2017



Source: FDI Intelligence, 2018

The top destination market for FDI from Saudi Arabia was the UAE (69 projects). Egypt and Malaysia ranked second and third with 53 projects and 43 projects respectively. Seven of the top 10 FDI destination markets were Asian markets.

21

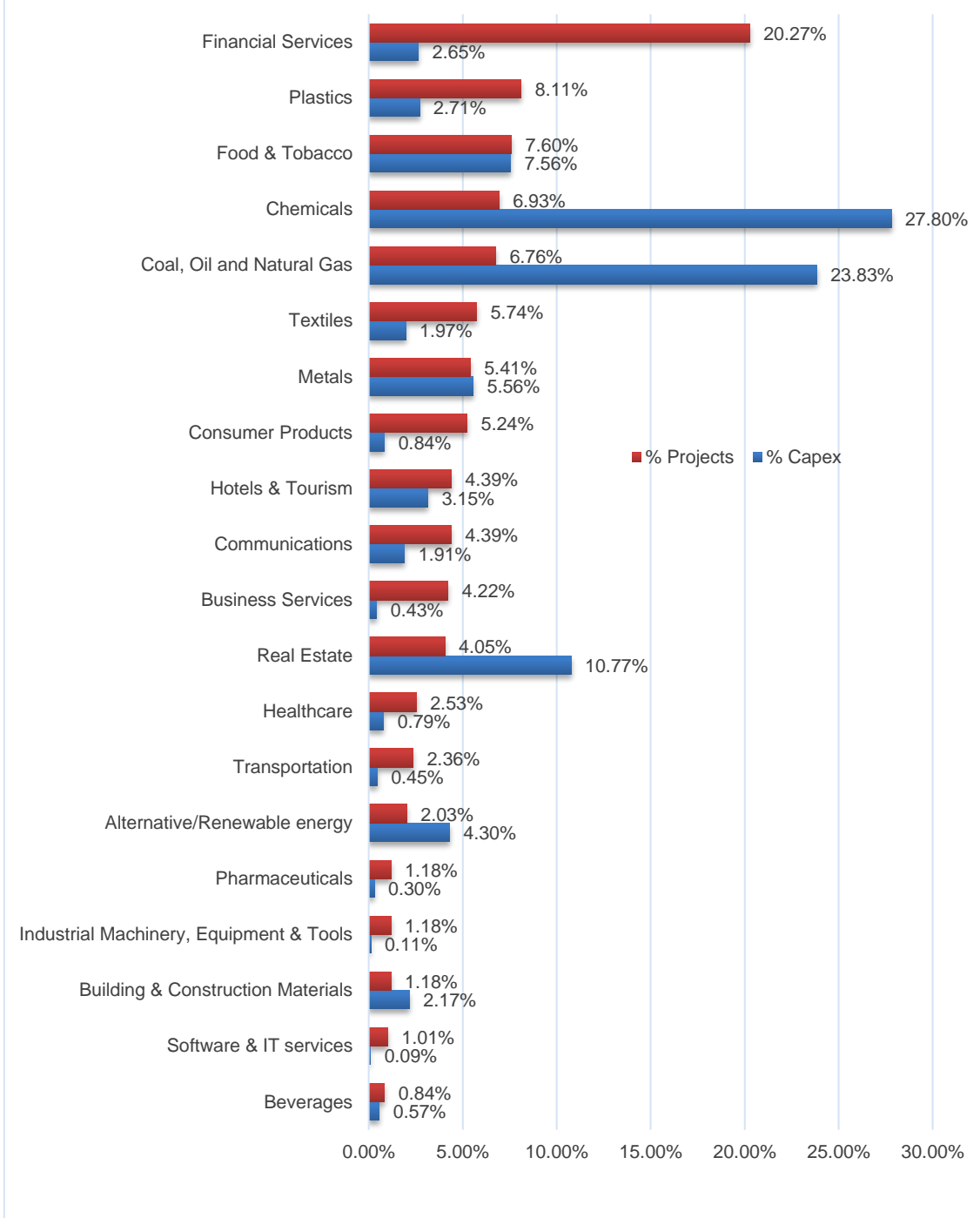
TOP 10 DESTINATION MARKETS FOR FDI FROM SAUDI ARABIA'S, 2003-APRIL 2017							
RANK	DESTINATION COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDbn)	% CAPEX	COMPANIES	% COMPANIES
1	UAE	69	11.66%	6 634	9.19%	63	30.43%
2	Egypt	53	8.95%	7 085	9.81%	28	13.53%
3	Malaysia	43	7.26%	180	0.25%	9	4.35%
4	Bahrain	37	6.25%	1 237	1.71%	26	12.56%
5	India	29	4.90%	1 439	1.99%	14	6.76%
6	China	25	4.22%	8 292	11.49%	9	4.35%
7	Turkey	23	3.89%	4 913	6.81%	13	6.28%
8	Oman	20	3.38%	559	0.77%	9	4.35%
9	Jordan	19	3.21%	3 261	4.52%	11	5.31%
10	United States	19	3.21%	11 320	15.68%	11	5.31%
TOTAL		592	100%	72 191	100%	207	100%

Source: FDI Intelligence, 2018

The figure below shows outward FDI from Saudi Arabia by sub-sectors for the period 2003 to April 2017. Most investments projects were in the following:

- Financial Services accounting for 20.3% projects and 3% capex;
- Plastics accounting for 8% projects and 2.7% capex; and
- Food & Tobacco accounting for 7.6% projects and 7.6% capex.

OUTWARD FDI FROM SAUDI ARABIA BY SUBSECTORS (% SHARE), 2003-APRIL 2017



Source: FDI Intelligence, 2018

The top 20 global companies investing from Saudi Arabia by projects from 2003 to April 2017 are shown below.

COMPANIES INVESTING FROM SAUDI ARABIA, 2003-APRIL 2017				
RANK	INVESTING COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	Saudi Basic Industries (SABIC)	Plastics	46	18 613
2	Fawaz Alhokair Group	Textiles	40	1 463
3	Al Rajhi Bank	Financial Services	39	85

COMPANIES INVESTING FROM SAUDI ARABIA, 2003-APRIL 2017				
RANK	INVESTING COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
4	SABIC Innovative Plastics	Plastics	22	1 051
5	Saudi Aramco	Coal, Oil and Natural Gas	19	7 973
6	Albaraka Banking Group (ABG)	Financial Services	18	397
7	Albaraka Turk	Financial Services	14	421
8	Shifa Al Jazeera Medical Group	Medical	12	308
9	Construction Products Holding Company (CPC)	Construction	11	1 052
10	E-Holidays	Hotels & Tourism	11	10
11	Islamic Development Bank (IDB)	Banking	11	403
12	ACWA Power International	Power generation & Desalinated water production plants	10	4 926
13	Amouage (Oman Perfumery)	Consumer Products	9	312
14	Albaraka Bank Egypt	Financial Services	8	88
15	Al-Tuwairqi Group (ATG)	Metals	8	2 724
16	Aramco Overseas	Coal, Oil and Natural Gas	8	534
17	Savola	Financial Services	8	516
18	Bintel	Communications	6	473
19	Al Hokair	Food & Tobacco	5	1 302
20	Albaraka Bank Algeria	Financial Services	5	89
Total			592	72 191

Source: FDI Intelligence, 2018

4.3 South African FDI with Saudi Arabia

Between January 2003 and April 2017 a total of 4 FDI projects were recorded from South Africa to Saudi Arabia. These projects represent a total capital investment of USD169m. During the period, a total of 141 jobs were created.

SOUTH AFRICA FDI TO SAUDI ARABIA, 2003-APRIL 2017							
DATE	INVESTING COMPANY	SOURCE STATE	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Apr 2016	MTN Group	Gauteng	Communications	Wired telecommunication carriers	ICT & Internet Infrastructure	133.8	89
Dec 2015	Wings Travel	Gauteng	Hotels & Tourism	Travel arrangement & reservation services	Sales, Marketing & Support	0.9	13
Nov 2007	Dimension Data Holdings (DiData)	Gauteng	Software & IT services	Computer facilities management services	Sales, Marketing & Support	5.8	21
Jul 2006	Gensec Property Services	Gauteng	Real Estate	Real estate services	Sales, Marketing & Support	28.3	18
TOTAL						169	141

Source: FDI Intelligence, 2017

Between January 2003 and April 2017 a total of 5 FDI projects were recorded from Saudi Arabia into South Africa. These projects represent a total capital investment of USD1.55bn which is an average investment of USD310.70m per project. During the period, a total of 406 jobs were created.

In 2010 - Saudi Basic Industries (SABIC) a plastics manufacturer from Saudi Arabia invested in the city of Cape Town in the plastics sector in a sales, marketing and support project valued at USD2m. The facility will allow the company to strengthen its existing operations locally and improve its sales in neighbouring countries, bringing SABIC closer to its customers. It will also support the company's existing distribution centre in the country.

SAUDI ARABIA FDI TO SOUTH AFRICA, 2003-APRIL 2017							
DATE	INVESTING COMPANY	DESTINATION STATE	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Jan 2015	ACWA Power International	Northern Cape	Alternative/Renewable energy	Solar electric power	Electricity	1 200	237
Jun 2014	Altaaqa Global CAT Rental Power	Gauteng	Industrial Machinery, Equipment & Tools	Power transmission equipment	Sales, Marketing & Support	2.9	17
Sep 2013	ACWA Power International	Northern Cape	Alternative/Renewable energy	Solar electric power	Electricity	312	60
Sep 2010	Saudi Basic Industries (SABIC)	Western Cape	Plastics	Urethane, foam products & other compounds	Sales, Marketing & Support	2	12
Apr 2008	I2 (IICC)	Gauteng	Communications	Wireless telecommunication carriers	Headquarters	36.9	80
TOTAL						1 553	406

Source: FDI Intelligence, 2018

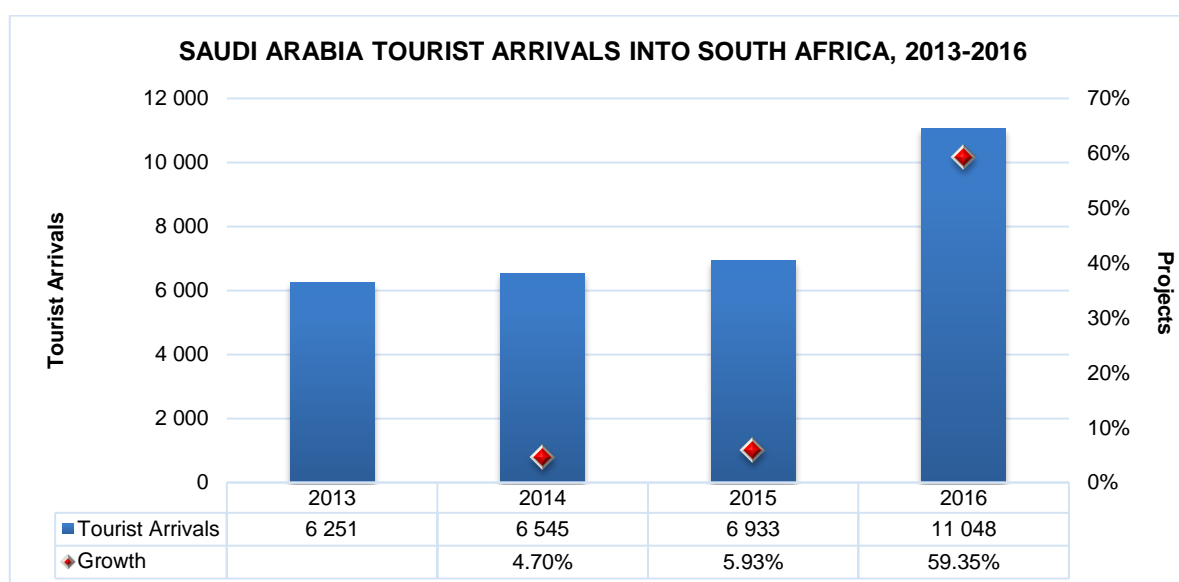
5. Tourism

5.1 Saudi Arabia Trends and Travel Patterns

Saudi Arabia outbound tourism is expected to increase significantly over the next five years from 13.6mn in 2017 to 17.5mn in 2021, detracting from the potential domestic travel market. As with the inbound-travel market, a large proportion of these (over 85%) will be to other countries in the Middle East and North Africa due to strong business and cultural ties in the region and because there is no visas required for travel between Gulf Cooperation Council states. Business trips tend to be shorter, but Saudi Arabians also travel for cultural and retail purposes, often to countries without the restrictions prevalent in their homeland. While government investment in the domestic tourism market will encourage greater travel within the country, domestic tourism will continue to face major competition from overseas travel, particularly as transport connections are improved and visa restrictions are potentially eased (BMI, 2018).

5.2 Saudi Arabian Tourist Arrivals into South Africa

The graph below depicts total tourist arrivals from Saudi Arabia into South Africa from 2013 to 2016. Saudi Arabia tourist arrivals into South Africa increased by 59% from 6933 tourists in 2015 to 11,048 tourists in 2016. No data is available for Saudi Arabian tourist arrivals into the Western Cape due to an insufficient sample size.



Source: SATourism, 2018

**Note: Statistics SA made changes to the release of its Tourism & Migration reports in 2014 and now no longer report on transit arrivals. As a result of this change, the weighting methodology has been revised and the results are now not comparable to data prior to 2013. 2014 represents the beginning of a new series of data.*

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